



Erik Milito
Group Director
Upstream and Industry Operations
1220 L Street, NW
Washington, DC 20005-4070
Telephone 202-682-8273
Fax 202-682-8426
Email militoe@api.org

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Environmental Health Bureau, Marcellus Shale Comments
Maryland Department of Health and Mental Hygiene
201 W. Preston Street, Room 327
Baltimore, MD 21201

Re: Comments of the American Petroleum Institute on the University of Maryland's School of Public Health Final Report "Potential Public Health Impacts of Natural Gas Development and Production in the Marcellus Shale in Western Maryland" (July 2014)

To Whom It May Concern:

The American Petroleum Institute (API) is a national trade association representing over 600 member companies involved in all aspects of the oil and natural gas industry. API's members include producers, refiners, suppliers, pipeline operators, and marine transporters, as well as service and supply companies and contractors that support all segments of the industry. API and its members are dedicated to protecting the environment while economically developing and supplying energy resources for consumers. API members carry out operations for safe and environmentally responsible exploration and production of natural gas, crude oil, and associated liquids on lands administered by state and federal authorities, including production via the use of hydraulic fracturing in unconventional plays. The U.S. oil and natural gas industry supports 9.8 million domestic jobs and comprises more than 8% of the U.S. economy.

API is also the worldwide leading standards-making body for the oil and natural gas industry. Accredited by the American National Standards Institute (ANSI), API has issued over 500 consensus standards governing all segments of the oil and gas industry. These include standards, guidelines, and recommended practices regarding effective water management, spill prevention and protection. Many API standards and practices are incorporated into state oil and natural gas regulations, as well as into numerous other federal agency regulations. In our on-going effort toward continued improvement of oil and natural gas operations, in May of 2011, API completed a series of industry guidance documents specific to hydraulic fracturing:

- HF1, Hydraulic Fracturing Operations—Well Construction and Integrity;
- HF2, Water Management Associated with Hydraulic Fracturing Guidance;
- HF3, Practices for Mitigating Surface Impacts Associated With Hydraulic Fracturing;
- Standard 65-Part 2, Isolating Potential Flow Zones During Well Construction; and

- RP 51R, Environmental Protection for Onshore Oil and Gas production Operations and Leases.¹

This set of API standards directly related to hydraulic fracturing has previously been shared with participating staff from the Maryland School of Public Health (U MD SPH) for this report as well as the staff for Governor O'Malley's Marcellus Shale Safe Drilling Initiative Advisory Commission. We believe this series provides the blueprint for the environmentally sound development of oil and natural gas.

In 2013, HF1, HF2, and HF3 underwent a review process. All three documents are expected to be released as revised recommended practices by the end of 2014. Finally, during this review, a new document, focusing on community engagement, was developed. It will serve as a gold standard for good neighbor policies that address community concerns, enhance the long-term benefits of local development, and ensure a two-way conversation regarding mutual goals for community growth. Released on July 9, 2014, the standard provides a detailed list of steps that oil and natural gas companies can take to help local leaders and residents prepare for energy exploration, minimize interruption to the community, and manage resources.²

With this as background, it should be of no surprise that API has a strong interest in the Advisory Commission's final recommendations to the Governor on unconventional development in Western Maryland. API feels it is imperative that sound science be the foundation of any work product contributing to those final recommendations, including the University of Maryland School of Public Health report. As a result, API hired ENVIRON International (ENVIRON) to take a critical look at this report and provide comment on the Health Impact Assessment (HIA) process and the resulting recommendations. ENVIRON's final review document is attached to this letter.

In its critical evaluation, ENVIRON recognized that U MD SPH was attempting to accomplish three key objectives in its work and final report:

- a) Provide a baseline assessment of current regional population health;
- b) An assessment of potential health impacts; and
- c) Possible adaptive and public health mitigation strategies should unconventional natural gas development and unconventional natural gas production move forward within Maryland's Marcellus Shale resource, specifically looking at Allegany County and Garrett County.

¹ The "HF Series" (HF1, HF2, HF3) provides an important complement to two other recommended practices – Standard 65 Part 2, which ensure multiple levels of protection between sources of drinking water and the production zone of an oil and gas well and RP 51R, which provides recommendations to reduce the environmental footprint at E&P sites as much as possible.

² The document is available on API's website via this link:

<http://www.api.org/news-and-media/news/newsitems/2014/july-2014/api-issues-good-neighbor-standards-for-oil-and-natural-gas-developers>

In summary, while the report presents sources and data collected and assessed as to potential impacts and concerns ENVIRON finds it lacking in several major areas:

- The usefulness and inferences as to potential impacts is limited by the choices of evidence presented in the study;
- The HIA is lacking in sound science and methodology to provide solid linkages to potential impacts or risks associated with unconventional natural gas development/unconventional natural gas production;
- Many of the concerns raised apply to the oil and natural gas industry in general and are based on anecdotal verses supportive evidence of incident and or occurrence;
- Data appears to be cherry picked to support initial inferences of linkages to questions of concern;
- Data is repeatedly inappropriately or inaccurately reported and cited;
- Many of the assumptions and inferences presented in the report are flawed, outdated, or incorrect; and
- The recommendations listed do not appear to mitigate concern but instead, provide avenues for further concerns and questions; in some cases providing conflicting and inefficient additional research suggestions that will likely not provide the decision makers with a guide to a final determination/s.

Further discussion on all of these points can be found in the attached document. API strongly agrees with ENVIRON's overall conclusion that the report serves as a gauge to the concerns and perceptions raised by stakeholders, residents, and decision makers on the direction of unconventional development, but lacks the essential scientific data to form reasonable and substantiated recommendations, which may ultimately influence a final determination on permitting unconventional development in the state. As the report fails to meet the U MD SPH determined objectives, it should not be relied upon to formulate any final conclusions on health impacts.

API would be happy to meet with U MD SPH staff to further discuss our comments and concerns and we could include ENVIRON reviewers in that discussion. If this is something that interests either the U MD SPH or the Environmental Health Bureau, please let me know.

Regards,



Erik Milito
Group Director and Industry Operations